

THIRD AMENDMENT TO DISPOSITION & DEVELOPMENT AGREEMENT & GROUND LEASE

METLOX, LLC, a California Limited Liability Company ("Lessee"), and the CITY OF MANHATTAN BEACH ("Lessor"), entered into a Disposition & Development Agreement & Ground Lease ("Agreement") on May 15, 2002, for lease and development of the "Metlox property" which was subsequently amended by a First Amendment, dated December 17, 2002, and a Second Amendment, dated June 17, 2003.

WHEREAS, Lessor is required to develop, maintain, and use the Metlox property only for the purposes and in accordance with the standards specified in the Agreement and desires to amend certain use and development standards to satisfy market demands; and

WHEREAS, Lessee owns the entire leasehold site and leases it to Lessor for the purpose of developing and providing services and facilities which enhance the village atmosphere for residents, and agrees that the amendments implement the purposes of the Agreement by expanding available services.

NOW, THEREFORE, based on the recitals above and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Lessee and Lessor agree to the amendments set forth below.

SECTION 1. Section 6.2(a) is hereby amended to read as follows with all other provisions of Section 6.2 remaining in effect without amendment:

"(a) The Buildings to be constructed on the Tenant Parcels may be two stories (subject to height limitations set forth in this Agreement) shall contain approximately, but not more than, 63,850 square feet, and shall be initially used for the following purposes (the following categories have an overlap of maximum square footage, however it is agreed that under no circumstances shall the total square footage exceed 63,850 square feet):

- (i) 20,000 square feet maximum of retail sales and services, which may, at Tenant's election, include the following:
 - Retail sales;
 - Personal Services;
 - Retail/specialty food service uses that are non-destination type establishments such as a bakery, tea salon, coffee house, ice cream shop, yogurt, candy, cookies, juices, and other similar limited specialty food items, each with a maximum of 300 square feet of outdoor seating area, including table, chairs and benches, within the Town Square and Public Areas;

- Limited Personal Improvement Services (such as yoga studios, spin studios, pilates and personal training) only in Building C at 1200 Morningside Drive and in Suite C at 451 Manhattan Beach Boulevard; and
 - Similar uses identified as permitted (by right) in the underlying zoning district (CD) which are not included in this Master Use Permit under the discretion and only upon the approval of the Director of Community Development.
- (ii) 14,432 square feet total maximum, (including 9,916 square feet maximum dining/seating area regardless of whether located indoors or outdoors). All second floor outdoor dining is prohibited.
- (iii) No office or bank uses will be located on the first floor.
- (iv) 17,500 square feet maximum of commercial uses including office, personal service (including day spa) and similar uses.
- (v) Inn: Minimum of 35 rooms to a maximum of 40 rooms, 2 stories, containing approximately 26,000 square feet which shall not include a full-service restaurant. The inn, as described above, is an essential element of this Agreement which Tenant is required to provide and failure to provide an inn as an element of the initial development of the site will be considered a material breach of this Agreement.”

SECTION 2. All other provisions of the Agreement, as previously amended, shall remain unchanged.

IN WITNESS WHEREOF, this Third Amendment to Disposition & Development Agreement & Ground Lease is entered into April __, 2018.

CITY OF MANHATTAN BEACH

Metlox, LLC

By_____

By_____

ATTEST:

APPROVED AS TO FORM

Liza Tamura, City Clerk

Quinn M. Barrow, City Attorney

(a) The Buildings to be constructed on the Tenant Parcels may be two stories (subject to height limitations set forth in this Agreement) shall contain approximately, but not more than, 63,850 square feet, and shall be initially used for the following purposes (the following categories have an overlap of maximum square footage, however it is agreed that under no circumstances shall the total square footage exceed 63,850 square feet):

(i) 20,000 square feet maximum of retail sales and services (~~retail sales, which~~ may, at Tenant's election, include the following:

- Retail sales;
- Personal Services;
- Retail/specialty food service uses that are non-destination type establishments such as a bakery, tea salon, coffee house, ice cream shop, and other similar uses); yogurt, candy, cookies, juices, and other similar limited specialty food items, each with a maximum of 300 square feet of outdoor seating area, including table, chairs and benches, within the Town Square and Public Areas;
- Limited Personal Improvement Services (such as yoga studios, spin studios, pilates and personal training) only in Building C at 1200 Morningside Drive and in Suite C at 451 Manhattan Beach Boulevard; and
- Similar uses identified as permitted (by right) in the underlying zoning district (CD) which are not included in this Master Use Permit under the discretion and only upon the approval of the Director of Community Development.

(ii) ~~8,000 total~~ 14,432 square feet total maximum ~~of restaurant square footage,~~ (including ~~a maximum of 6,400~~ 9,916 square feet ~~of maximum~~ dining/seating area regardless of whether located indoors or outdoors) ~~in a maximum of two (2) restaurants. All second floor outdoor dining is prohibited.~~

(iii) No office or bank uses will be located on the first floor.

(iv) 17,500 square feet maximum of commercial uses including office, personal service (including day spa) and similar uses.

(v) Inn: Minimum of 35 rooms to a maximum of 40 rooms, 2 stories, containing approximately 26,000 square feet which shall not include a full-service restaurant. The inn, as described above, is an essential element of this Agreement which Tenant is required to provide and failure to provide an inn as an element of the initial development of the site will be considered a material breach of this Agreement.